

Before the Federal Communications Commission
Washington, D.C. 20554

In the Matter of Schools and Libraries Universal Service Support Mechanism

A National Broadband Plan For Our Future

CC Docket No. 02-6
GN Docket No. 09-51

INITIAL COMMENTS OF MICHIGAN DEPARTMENT OF EDUCATION
IN RESPONSE TO MAY 20, 2010 NOTICE OF PROPOSED RULEMAKING

I. Introduction: The Michigan Department of Education (MDE) is pleased to submit comments to the May 20, 2010 NPRM on E-Rate reform. Michigan continues to experience the perfect economic storm with one of the highest unemployment rates in the nation directly tied to a dwindling manufacturing base. This has caused steep declines in the number of families with school-aged children, leading to sharp declines in public school funding. In the face of such upheaval, Michigan's Superintendent of Public Instruction, Michael Flanagan, has challenged the outstanding educators across our state to "re-imagine" how Michigan can provide a world-class education for all students given the financial realities besetting the system. Project Reimagine compliments to the good work Superintendent Flanagan and the State Board of Education has already done in adopting some of the more rigorous of standards grades K to 12, including the first in the nation, online learning high school graduation requirement. Since the new requirement was adopted in 2006, enrollment in Michigan's state sponsored online school has doubled. E-Rate, therefore, plays a vital role in funding the increased connectivity, capacity, and reimagining of Michigan schools and libraries as it relates to providing top-notch online learning experiences as "blended" classroom environments become commonplace. With the advent of American Recovery and Reinvestment Act funding, a comprehensive statewide infrastructure is starting to emerge, promising to help schools and libraries meet the demands of 21st Century learning. "Last mile" connectivity still presents schools and libraries with serious challenges, and this is where an enhanced E-Rate program can help.

Our comments below are written with our economic crisis in the forefront of our thoughts. In advance, MDE would like to say thank you to the FCC in allowing Michigan to be a part of this NPRM process and in shaping the future of connectivity in our schools.

II. Technology Plan: MDE is concerned that the specific details presented by schools and libraries in the State-approved district technology plan have become rationale for denial by USAC reviewers. Michigan's multi-step approval process should satisfy reviewer concerns for appropriate application

of technology, removing subjectivity from the process. It is Michigan's position that evaluating and approving technology plans is a task best left to the local and state authority. What's more, dithering over the plan creation dates undermines the good work we have done to automate the technology planning process. The State approval date should be effective for this purpose.

Michigan takes great pride in its online technology planning process through its use of MEGS, the Michigan Electronic Grant System. We are in the process of integrating this system with the School Improvement Planning (SIP) process, hosted by AdvancED, such that technology planning will be driven by school improvement needs. State approval should be strengthened to provide increased authority to ensure appropriate and effective application of technology through this integrated process.

Without the formal USAC requirement of State approval, we are concerned that school technology planning will become an unfunded mandate and set back technology planning statewide. For example, we have 97 percent of school districts participating in E-Rate; the number of districts reporting 8th grade technology literacy rates is significantly less because no funding is tied to reporting/not reporting the No Child Left Behind (NCLB) requirement.

III. Form 470 Exemptions: The State of Michigan has local and state procurement rules for all governmental entities, which, of course, includes schools and libraries. The Michigan Department of Technology, Management, and Budget (TMB) offers "MiDEAL," a shared purchasing agreement for any entity that joins the consortia. Similarly, Michigan School Business Officials (MSBO) and the Regional Educational Media Centers (REMC) also have consortia buying programs directly supporting schools and libraries. There are several other non-profit organizations involved in regional purchasing who follow all the local and state rules. We believe any policies for mandatory competitive bidding practices and/or code of conduct should be a local/state issue and not within the jurisdiction of the FCC. Please return the state and local jurisdictional authority to procurement process.

IV. Electronic Filing of Forms: MDE is very supportive of any additional online functionality in improving the filing process. A banking-like portal, or something similar to the online tax filing programs is overdue. Although State of Michigan resources are stretched thin, the State is willing to help pilot test the new portal, especially if the pilot happens in the next 18 months..

V. Discount Calculation Changes:

A. Although MDE understands there will be "winners and losers" in E-Rate, we believe a simple, district average is the fairest calculation. We recommend the following formula for calculation: total number of district students eligible for free and reduced lunch/total number of district students enrolled. This should simplify the process and resolve issues arising when calculating the discount.

B. Rural/Urban Designation: MDE recommends that USAC continue to use the current MSA rural/urban designations. While the NCES database is good for some statistical analysis, it is not as current as it should be for purposes of E-rate filing.

VI. ESL Revisions

A. Portable Wireless Internet Access: Michigan fully supports the goals of the National Broadband Plan and the National Educational Technology Plan. State Superintendent Flanagan promotes anywhere, anytime learning by issuing "seat-time-waivers" for schools to allow students to take up 100 percent of their instruction online. MDE is ready and willing to help in any way in this implementation. MDE recommends that the FCC considering including all technologies, even emerging technologies, in determining the metrics of the "pilot project." We would be happy to provide data and statistics from one of our seat-time-waiver schools as a model for the experiment.

B. Dark Fiber: Leased dark fiber should be eligible for E-Rate with no cost allocation required for fiber (lit or unlit) leased from a non-common carrier. This would allow Michigan to build out our broadband infrastructure.

C. Residential area of eligible schools: Residential areas of eligible schools should be fully eligible for E-Rate support.

VII. Eliminate Basic Maintenance of Internal Connections (BMIC): MDE fully supports the elimination of BMIC. Michigan supports the change to boost funding for increased demand in Priority 1 funding.

VIII. Eligibility of Traditional Voice Services: The State of Michigan has a significant amount of traditional phone service. Eliminating this service would be penalize schools for not having the capacity to upgrade to Voice Over IP (VOIP) and other technologies. Please keep local and long distance eligible.

IX. Indexing Cap to Inflation: MDE respectfully requests the FCC to please peg the cap annually to inflation while maintaining the \$2.25B floor.

X. Disposal of Equipment: The State of Michigan has rules for disposal of all types of items including documentation and equipment. Again, the FCC should defer to local and state rules for any disposal and reporting tasks.